115TH CONGRESS
1ST SESSION

H. R. 3311

To establish an Individual Market Reinsurance fund to provide funding for State individual market stabilization reinsurance programs.

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 2017

Mr. LANGEVIN (for himself, Ms. JUDY CHU of California, and Mr. RUIZ) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish an Individual Market Reinsurance fund to provide funding for State individual market stabilization reinsurance programs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the ''Individual Health In-
5 surance Marketplace Improvement Act''.

6 **SEC. 2. FINDINGS.**

7 Congress makes the following findings:

1 (1) Before the passage of the Patient Protec-
2 tion and Affordable Care Act (Public Law 114–148)
3 in 2010, Americans with pre-existing conditions
4 faced unfair barriers to accessing health insurance
5 coverage and health care costs had risen rapidly for
6 decades.
7 (2) Since 2010, the rate of uninsured Ameri-
8 cans has declined to a historic low, with more than
9 20,000,000 Americans gaining access to health in-
10 surance coverage.
11 (3) Since 2010, America has experienced the
12 slowest growth in the price of health care in over
13 five decades.
14 (4) Thanks to the Patient Protection and Af-
15 fordable Care Act (Public Law 114–148), Americans
16 can no longer be denied insurance or charged more
17 on the basis of their health status, more Americans
18 than ever have insurance, and the health care they
19 receive is continually improving.
20 (5) Starting in 2016, independent, non-partisan
21 organizations, including the Congressional Budget
22 Office, have determined that the individual health
23 insurance markets have stabilized and improved.
24 (6) The cost-sharing reduction payments in the
25 Patient Protection and Affordable Care Act provide

1 stability in the individual health insurance market,
2 lower insurance premiums by nearly 20 percent, and
3 encourage competition among health insurers. The
4 payments reduce costs for approximately 6,000,000
5 people with incomes below 250 percent of the pov-
6 erty line by an average of about $1,100 per person
7 and should be increased to help more Americans.

8 (7) Risk mitigation programs, such as the rein-
9 surance program for the Medicare Part D prescrip-
10 tion drug benefit program, have provided additional
11 stability to the health insurance markets, restrained
12 premium growth, and lowered taxpayer costs by
13 helping health insurers predict and bear risk associ-
14 ated with managing health care costs for a popu-
15 lation.

16 (8) From 2014 to 2016, the temporary reinsur-
17 ance program established under the Affordable Care
18 Act helped to stabilize the new insurance market-
19 places and reduced insurance premiums in the indi-
20 vidual health insurance market by as much as 10
21 percent.

22 (9) Throughout his Presidential campaign, the
23 President of the United States repeatedly promised
24 the American people that his health care plan will
25 result in reduced rates of uninsured, lower costs,

and higher quality care, stating on January 14, 2017, that "We're going to have insurance for everybody. There was a philosophy in some circles that if you can't pay for it, you don't get it. That's not going to happen with us"; and on January 25, 2017, that "I can assure you, we are going to have a better plan, much better health care, much better service treatment, a plan where you can have access to the doctor that you want and the plan that you want. We're gonna have a much better health care plan at much less money".

(10) The goal of any health care legislation should be to build on the Affordable Care Act to continue expanding coverage and make health care more affordable for Americans. Improving affordability and expanding coverage will also broaden the individual market risk pool, contributing to lower premiums and strengthening market stability.

SEC. 3. INDIVIDUAL MARKET REINSURANCE FUND.

(a) ESTABLISHMENT OF FUND.—

(1) IN GENERAL.—There is established the "Individual Market Reinsurance Fund" to be administered by the Secretary to provide funding for an individual market stabilization reinsurance program in

1 each State that complies with the requirements of
2 this section.
3 (2) FUNDING.—There is appropriated to the
4 Fund, out of any moneys in the Treasury not other-
5 wise appropriated, such sums as are necessary to
6 carry out this section (other than subsection (c)) for
7 each calendar year beginning with 2018. Amounts
8 appropriated to the Fund shall remain available
9 without fiscal or calendar year limitation to carry
10 out this section.
11 (b) INDIVIDUAL MARKET REINSURANCE PRO-
12 GRAM.—
13 (1) USE OF FUNDS.—The Secretary shall use
14 amounts in the Fund to establish a reinsurance pro-
15 gram under which the Secretary shall make reinsur-
16 ance payments to health insurance issuers with re-
17 spect to high-cost individuals enrolled in qualified
18 health plans offered by such issuers that are not
19 grandfathered health plans or transitional health
20 plans for any plan year beginning with the 2018
21 plan year. This subsection constitutes budget au-
22 thority in advance of appropriations Acts and rep-
23 resents the obligation of the Secretary to provide
24 payments from the Fund in accordance with this
25 subsection.

1 (2) AMOUNT OF PAYMENT.—The payment
2 made to a health insurance issuer under subsection
3 (a) with respect to each high-cost individual enrolled
4 in a qualified health plan issued by the issuer that
5 is not a grandfathered health plan or a transitional
6 health plan shall equal 80 percent of the lesser of—
7 (A) the amount (if any) by which the indi-
8 vidual's claims incurred during the plan year
9 exceeds—
10 (i) in case of the 2018, 2019, or 2020
11 plan year, $50,000; and
12 (ii) in the case of any other plan year,
13 $100,000; or
14 (B) for plan years described in—
15 (i) subparagraph (A)(i), $450,000;
16 and
17 (ii) subparagraph (A)(ii), $400,000.
18 (3) INDEXING.—In the case of plan years be-
19 ginning after 2018, the dollar amounts that appear
20 in subparagraphs (A) and (B) of paragraph (2) shall
21 each be increased by an amount equal to—
22 (A) such amount; multiplied by
23 (B) the premium adjustment percentage
24 specified under section 1302(c)(4) of the Af-

1 fordable Care Act, but determined by sub-
2 stituting "2018" for "2013".
3 (4) PAYMENT METHODS.—
4 (A) IN GENERAL.—Payments under this
5 subsection shall be based on such a method as
6 the Secretary determines. The Secretary may
7 establish a payment method by which interim
8 payments of amounts under this subsection are
9 made during a plan year based on the Sec-
10 retary's best estimate of amounts that will be
11 payable after obtaining all of the information.
12 (B) REQUIREMENT FOR PROVISION OF IN-
13 FORMATION.—
14 (i) REQUIREMENT.—Payments under
15 this subsection to a health insurance issuer
16 are conditioned upon the furnishing to the
17 Secretary, in a form and manner specified
18 by the Secretary, of such information as
19 may be required to carry out this sub-
20 section.
21 (ii) RESTRICTION ON USE OF INFOR-
22 MATION.—Information disclosed or ob-
23 tained pursuant to clause (i) is subject to
24 the HIPAA privacy and security law, as
25 defined in section 3009(a) of the Public

1 Health Service Act (42 U.S.C. 300jj–
2 19(a)).
3 (5) SECRETARY FLEXIBILITY FOR BUDGET
4 NEUTRAL REVISIONS TO REINSURANCE PAYMENT
5 SPECIFICATIONS.—If the Secretary determines ap-
6 propriate, the Secretary may substitute higher dollar
7 amounts for the dollar amounts specified under sub-
8 paragraphs (A) and (B) of paragraph (2) (and ad-
9 justed under paragraph (3), if applicable) if the Sec-
10 retary certifies that such substitutions, considered
11 together, neither increase nor decease the total pro-
12 jected payments under this subsection.
13 (c) OUTREACH AND ENROLLMENT.—
14 (1) IN GENERAL.—During the period that be-
15 gins on January 1, 2018, and ends on December 31,
16 2020, the Secretary shall award grants to eligible
17 entities for the following purposes:
18 (A) OUTREACH AND ENROLLMENT.—To
19 carry out outreach, public education activities,
20 and enrollment activities to raise awareness of
21 the availability of, and encourage enrollment in,
22 qualified health plans.
23 (B) ASSISTING INDIVIDUALS TRANSITION
24 TO QUALIFIED HEALTH PLANS.—To provide as-
25 sistance to individuals who are enrolled in

1 health insurance coverage that is not a qualified
2 health plan enroll in a qualified health plan.
3 (C) ASSISTING ENROLLMENT IN PUBLIC
4 HEALTH PROGRAMS.—To facilitate the enroll-
5 ment of eligible individuals in the Medicare pro-
6 gram or in a State Medicaid program, as appro-
7 priate.
8 (D) RAISING AWARENESS OF PREMIUM AS-
9 SISTANCE AND COST-SHARING REDUCTIONS.—
10 To distribute fair and impartial information
11 concerning enrollment in qualified health plans
12 and the availability of premium assistance tax
13 credits under section 36B of the Internal Rev-
14 enue Code of 1986 and cost-sharing reductions
15 under section 1402 of the Patient Protection
16 and Affordable Care Act, and to assist eligible
17 individuals in applying for such tax credits and
18 cost-sharing reductions.
19 (2) ELIGIBLE ENTITIES DEFINED.—
20 (A) IN GENERAL.—In this subsection, the
21 term ''eligible entity'' means—
22 (i) a State; or
23 (ii) a nonprofit community-based or-
24 ganization.

1 (B) ENROLLMENT AGENTS.—Such term
2 includes a licensed independent insurance agent
3 or broker that has an arrangement with a State
4 or nonprofit community-based organization to
5 enroll eligible individuals in qualified health
6 plans.
7 (C) EXCLUSIONS.—Such term does not in-
8 clude an entity that—
9 (i) is a health insurance issuer; or
10 (ii) receives any consideration, either
11 directly or indirectly, from any health in-
12 surance issuer in connection with the en-
13 rollment of any qualified individuals or em-
14 ployees of a qualified employer in a quali-
15 fied health plan.
16 (3) PRIORITY.—In awarding grants under this
17 subsection, the Secretary shall give priority to
18 awarding grants to States or eligible entities in
19 States that have geographic rating areas at risk of
20 having no qualified health plans in the individual
21 market.
22 (4) FUNDING.—Out of any moneys in the
23 Treasury not otherwise appropriated, $500,000,000
24 is appropriated to the Secretary for each of calendar

1 years 2018 through 2020, to carry out this sub-
2 section.
3 (d) REPORTS TO CONGRESS.—
4 (1) ANNUAL REPORT.—The Secretary shall
5 submit a report to Congress, not later than January
6 21, 2019, and each year thereafter, that contains
7 the following information for the most recently
8 ended year:
9 (A) The number and types of plans in each
10 State's individual market, specifying the num-
11 ber that are qualified health plans, grand-
12 fathered health plans, or health insurance cov-
13 erage that is not a qualified health plan.
14 (B) The impact of the reinsurance pay-
15 ments provided under this section on the avail-
16 ability of coverage, cost of coverage, and cov-
17 erage options in each State.
18 (C) The amount of premiums paid by indi-
19 viduals in each State by age, family size, geo-
20 graphic area in the State's individual market,
21 and category of health plan (as described in
22 subparagraph (A)).
23 (D) The process used to award funds for
24 outreach and enrollment activities awarded to
25 eligible entities under subsection (c), the

1 amount of such funds awarded, and the activi-
2 ties carried out with such funds.
3 (E) Such other information as the Sec-
4 retary deems relevant.
5 (2) EVALUATION REPORT.—Not later than Jan-
6 uary 31, 2022, the Secretary shall submit to Con-
7 gress a report that—
8 (A) analyzes the impact of the funds pro-
9 vided under this section on premiums and en-
10 rollment in the individual market in all States;
11 and
12 (B) contains a State-by-State comparison
13 of the design of the programs carried out by
14 States with funds provided under this section.
15 (e) DEFINITIONS.—In this section:
16 (1) SECRETARY.—The term ''Secretary'' means
17 the Secretary of the Department of Health and
18 Human Services.
19 (2) FUND.—The term ''Fund'' means the Indi-
20 vidual Market Reinsurance Fund established under
21 subsection (a).
22 (3) GRANDFATHERED HEALTH PLAN.—The
23 term ''grandfathered health plan'' has the meaning
24 given that term in section 1251(e) of the Patient
25 Protection and Affordable Care Act.

1 (4) HIGH-COST INDIVIDUAL.—The term ''high-
2 cost individual'' means an individual enrolled in a
3 qualified health plan (other than a grandfathered
4 health plan or a transitional health plan) who incurs
5 claims in excess of $50,000 during a plan year.
6 (5) STATE.—The term ''State'' means each of
7 the 50 States and the District of Columbia.
8 (6) TRANSITIONAL HEALTH PLAN.—The term
9 ''transitional health plan'' means a plan continued
10 under the letter issued by the Centers for Medicare
11 & Medicaid Services on November 14, 2013, to the
12 State Insurance Commissioners outlining a transi-
13 tional policy for coverage in the individual and small
14 group markets to which section 1251 of the Patient
15 Protection and Affordable Care Act does not apply,
16 and under the extension of the transitional policy for
17 such coverage set forth in the Insurance Standards
18 Bulletin Series guidance issued by the Centers for
19 Medicare & Medicaid Services on March 5, 2014,
20 February 29, 2016, and February 13, 2017.

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